We, the Town of Blacksburg & Montgomery County, have worked well together on multiple projects and issues.











So how did we get here?

School Board surpluses property for sale.

County issues a Request for Proposals for as-is sale.



Town of Blacksburg responds with \$2M offer, with County responsible for demolishing building.



Negotiation Process

\$2.5M as-is, taking into consideration \$1M estimated cost of demolition



\$2M and would bear an unknown portion of demolition cost.



County counters with \$2.4M as-is.



Blacksburg stands firm on own counteroffer: \$2M, some demo costs.

The current situation

The County offers mediation to reach a resolution, but the Town does not see this as an appropriate method for property negotiation.

In anticipation of possible mediation and to ensure that our value was fair and reasonable, the County obtained an independent appraisal.

■ The County suggests a joint meeting to try and resolve the impasse. The Town agrees to meet on Nov. 16, 2016.

Miller Long and Assoc. Comparison of "Like Properties"

M.L. and Associates Appraisal	County Concerns
Kensington Phase I & II	 Located in Christiansburg, where property values significantly lower. Sale in Jan. 2008 after "housing bubble" burst.
Givens Family Property	 Not in walking distance of Virginia Tech. Not adjacent to park, aquatic center, rec facility. Large portion adjacent to 460 bypass. Sale in Dec. 2010.

Miller Long and Assoc. Comparison of "Like Properties"

M.L. and Associates Appraisal	County Concerns
Truman Wilson Estate	 Located in Christiansburg, where property values significantly lower. Major natural gas transmission line running through middle of property, limiting ability to develop it. Zoned agricultural, not residential.
Givens Lane	 Located near student and manufactured housing. Not adjacent to a park, aquatic center, rec facility. 2014 transaction before property value increase.

Town's offer would result in property not added to the tax rolls

- Average home value is 30% more in Blacksburg than Christiansburg.
- Using numbers provided in the Blacksburg proposal:
 - Residential housing development would generate \$408,065 per year in taxes.
 - This amount assumed 131 homes valued at \$350,000 per home.
 - After addressing cost of education, County would have \$66,065 per year to address other needs.

6 6 Overall, the ML appraisal does not address local agents or developers, who are the potential sellers and purchasers of the subject site.

Neither does it mention the very recent contract on the old Blacksburg Middle School site. This is a very telling and important piece of the analysis, since it involves a similar parcel of land between a well-known local developer and the County.

The main reason there is a difference between the two appraisals is that the M.L. appraisal does not address the current marketing potential of the subject site.



Greylock Advisory Group's Comments

M.L. and Associates Appraisal	Comments
Kensington Phase I & II Givens Family Property	 Effects of economic recession were still impacting real estate market Lenders very hesitant to lend on land. Thus, sale prices were depressed.
Kensington Phase I & II Truman Wilson Estate	 Located in Christiansburg, significantly different market compared to Blacksburg. Land—particularly residential land—at a premium price in Blacksburg.
Givens Lane	Different location and size.

Greylock Advisory Group's Appraisal Comparable properties located in Blacksburg

\$125,000/acre

x ±36.3152 acres

\$4,539,400

Demolition Cost Estimates

Greylock (Parkhurst)	Paul R. Shively, Inc.	M.S. Contracting
\$725,000	\$1,399,000	\$1,552,500
Building demolition only.	Building demolition, asbestos abatement, and removal of slab.	Building demolition and removal of slab